

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE – NASHVILLE DIVISION**

IN RE:	)	
	)	
1Point Solutions, LLC,	)	Bankruptcy Case No. 06-05400-KL3-11
101 South Main Street	)	Judge Keith M. Lundin
Dickson, TN 37055	)	Involuntary Chapter 11
	)	
Debtor.	)	
	)	
	)	
John C. McLemore, Trustee,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Adv. Pro. _____
	)	
Barry Stokes,	)	
	)	
Defendant.	)	
	)	
	)	

**COMPLAINT FOR SUBSTANTIVE CONSOLIDATION**

**PARTIES**

1. John C. McLemore is the duly appointed and acting Trustee for 1Point Solutions, LLC, which was placed in involuntary bankruptcy September 26, 2006. Mr. McLemore was appointed by order entered September 28, 2006. He brings this action solely in his official capacity.
2. Barry R. Stokes (“Mr. Stokes”) was at all relevant times the owner and principal in control of the Debtor. He resides at 744 Blakemore Road, Dickson, Dickson County, Tennessee 37055. He maintains a second residence at 11221 Readville Lane, Austin, Travis County, Texas 78739.

### **JURISDICTION AND VENUE**

3. This Court has jurisdiction pursuant to 28 U.S.C. § 1334. Venue is found in 28 U.S.C. § 1409. This is an action arising in and related to a case under 28 U.S.C. § 157(a). It is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) (matters concerning administration of the estate) and § 157 (b)(2)(O) (other proceeding affecting the liquidation of the assets of the estate). The Bankruptcy Court has the jurisdiction to order a substantive consolidation pursuant to its equitable powers. 11 U.S.C. § 105(a).

### **FACTS**

4. The Debtor is a third party administrator providing services for retirement and 401(k) plans, Flexible Spending Accounts, Health Savings Accounts, Health Reimbursement Arrangements, and Cobra administration. Its clients are employers whose employees participate in one or more of the services offered by the Debtor.

5. Many of the clients of the Debtor sent money to the Debtor for specific health care coverage for those clients' employees, or specific retirement plans, or 401(k) deposits for the clients' employees.

6. On information and belief, there were approximately seven hundred employee clients of the Debtor with over 40,000 employees.

7. Mr. Stokes was the principal in control and owner of the Debtor.

8. Mr. Stokes was a signatory on all accounts set up in the name of the Debtor.

9. Under the direction and control of Mr. Stokes:

- a. Various clients' 401(k) funds were commingled in a 1Point 401(k) account at Fifth Third Bank.

b. Funds in that account were transferred to different third party accounts for different purposes, some for the business of the Debtor, some personal to or for the benefit of Mr. Stokes. As a snapshot of the activity, two pages of the 1Point 401(k) account at Fifth Third Bank for 5/19/2006 – 6/19/2006 are attached as Exhibit 1. These pages show the following transfers from the 401(k) account.

- (1) \$3,000.00 to 1Point Solutions.
- (2) \$344,209.61 to Evan Sarzin, P.C. On information and belief, this funded settlement of a lawsuit brought by another client.
- (3) \$90,000.00 to 1Point Solutions general account.
- (4) \$9,300.00 to Gallery Sobi, an art gallery in Tokyo, Japan, that sells Japanese art. Mr. Stokes has an extensive collection of Japanese art, much of which was purchased while Mr. Stokes owned the Debtor. On information and belief, the collection has been insured for \$2.5 million.
- (5) \$30,000.00 to the personal account of Mr. Stokes.
- (6) \$100,000.00 to the Donald Rojas Trust. On information and belief, Donald Rojas is the father-in-law of Mr. Stokes.
- (7) \$355.72 to the Donald Rojas Trust.
- (8) \$33,391.65 to Hutchinson & Forsha. On information and belief, this was payment to a vendor or consultant of the Debtor.

c. Mr. Stokes directed the wire transfers by e-mail. See Exhibit 1(a) – 1(c) as follows:

- 1(a) \$344,709.61 to Evan Sarzin, P.C.
- 1(b) \$ 9,300.00 for Gallery Sobi.  
\$ 30,000.00 to the personal account of Mr. Stokes.
- 1(c) \$100,000.00 to the Donald Rojas Trust.

d. As shown above, commingled assets that belong to clients, transfers for business functions of the Debtor, and transfers to or for the personal benefit of Mr. Stokes are all mixed together. This commingling and misappropriation of clients' funds for the use of the Debtor's business and for the personal use of Mr. Stokes was the normal course of the Debtor's business as directed and controlled by Mr. Stokes.

10. Under the direction and control of Mr. Stokes, the Debtor kept an accounting of funds deposited into its 1Point general account at AmSouth from clients' funds for specific health care coverage, retirement or 401(k) accounts. The transactions were made under the direction and control of Mr. Stokes. A copy of the running account titled Custom Transaction Detail Report is attached as Exhibit 2. The total of the transferred funds is \$5,621,828.53. Although that is shown as the balance, no such sum is in the Debtor's account. On information and belief, that total does constitute misappropriated transferred funds. Based on his investigation of the Debtor to date, the Trustee asserts that transfers from the Debtor's general account were used to pay business expenses, fund various clients' accounts, and make payments to or for the personal benefit of Mr. Stokes.

11. In a display of accounting legerdemain under the direction and control of Mr. Stokes, the 1Point General Balance Sheet as of September 21, 2006, shows the \$5,621.828.53 as a liability "Due to Stokes." See Exhibit 3.

12. On information and belief, the Trustee alleges that the Debtor used four tax i.d. numbers for its accounts and the accounts of its clients. All four tax i.d. numbers were in the name of Mr. Stokes, not the Debtor and not the client. Mr. Stokes was the person who could manipulate accounts to suit his purposes, either for the business or himself. There may be accounts that he still can manipulate.

13. Mr. Stokes owns real property and improvements at 101 South Main Street, Dickson, Tennessee, where the Debtor's primary place of business is located. He also owns real property and improvements at 211 Sylvis Street, Dickson, Tennessee, where some of the Debtor's equipment, business records, and Japanese art collection of Mr. Stokes are stored. Mr. Stokes owns a residence at 744 Blakemore Road, in Dickson. He also owns the valuable Japanese art collection. On information and belief, the Trustee alleges that misappropriated funds from the Debtor and/or its clients have been used by Mr. Stokes toward the assets in his name.

14. Four clients of the Debtor have filed suit against the Debtor and Mr. Stokes in the United States District Court for the Middle District of Tennessee. The Court has issued a TRO against Mr. Stokes in two of the lawsuits freezing his assets. A motion for contempt has been filed against Mr. Stokes for issuing, signing and negotiating three checks payable to himself off the Debtor's general account after he received notice of the TRO. This occurred during the days after entry of the TRO and before the filing of the involuntary bankruptcy. From September 6, 2006, to September 15, 2006, Mr. Stokes issued, signed and negotiated six (6) checks payable to himself on the Debtor's general account in the following amounts: \$9,827.56, \$9,882.65, \$9,789.75, \$9,865.25; \$9,795.35, and \$9,845.35.

15. The wife of Mr. Stokes recently informed a former employee of the Debtor, now working for the Trustee, that Mr. Stokes intended to sell some of the Japanese art, regardless of the TRO. The Trustee received a call from a collector whom Mr. Stokes had contacted about a sale.

#### **CAUSE OF ACTION**

16. Given the indistinguishable interrelationship between the Debtor and Mr. Stokes, consolidation can best protect the possible realization of any recovery for the majority of the

unsecured creditors. See, In re Baker, 974 F.2d 712,720 (6<sup>th</sup> Cir.1992), citing, In the matter of Evans Temple Church, 55 B.R. 976 (Bankr. N.D. Ohio 1986).

17. Substantive consolidation is warranted where, as shown above, there exist:

1. A complex web of transactions between the entity and the individual.
2. The financial wherewithal and financial affairs of the entity and the individual are so entangled that they constitute a single enterprise.
3. The benefit of substantive consolidation for outweighs any detriment.

See, In Re Creditors Service Corporation, 195 B.R. 680, 690-691 (Bankr. S.D. Ohio 1996).

18. The broad equitable power detailed in 11 U.S.C. § 105(a) has been recognized as the basis for the bankruptcy court to substantively consolidate entities and individuals. Id., 195 B.R. at 688-689. This includes consolidation of debtors and nondebtors. Id., 195 B.R. at 689 Fn 4.

19. Time is of the essence. Mr. Stokes disregarded the TRO and took company funds in the interval before the bankruptcy was filed. Mr. Stokes has valuable artwork that is portable, but the Trustee is best positioned to secure it if he can act quickly. The Trustee has located a catalogue of the artwork; it can be ascertained and identified.

### **RELIEF**

20. The Trustee respectfully requests that the Court enter an order granting substantive consolidation including findings that:

- (1) The financial wherewithal and financial affairs of the entity and the individual are so entangled that they constitute a single enterprise.

- (2) Because of the indistinguishable interrelationship between the Debtor and Mr. Stokes, substantive consolidation can best protect the possible realization of any recovery for the majority of the unsecured creditors.
- (3) The benefit of substantive consolidation far outweighs any detriment.
- (4) 11 U.S.C. § 105 grants broad equitable power to the Court, and is recognized as a basis for the Court to substantively consolidate the Debtor and Mr. Stokes in this bankruptcy.
21. The Trustee requests such other relief as justice requires.

This 10<sup>th</sup> day of October, 2006

GARFINKLE, McLEMORE & WALKER, PLLC

By: /s/ Robert M. Garfinkle

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Attorney for Trustee

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**Prior Day Account Statement**  
**Fifth Third Bank N.A (Tennessee)**  
**1POINT 401K**  
**Account# 07360706407 (USD)**  
**Date From: 05/19/2006      Date To: 06/19/2006**

Opening Available as of 06/19/2006:	9,125.10
Total Debits:	635,256.98
Total Credits:	641,274.25
Closing Ledger as of 06/19/2006:	9,125.10
Closing Available as of 06/19/2006:	9,125.10

**Checking Activity**

Check #	Date	Amount	Check #	Date	Amount
Not Reported					

**Other Debits**

	Date	Amount	Description	Customer Ref	Bank Ref
①	05/30/2006	3,000.00	ACH Debit Received		
			1POINT SOLUT BOOK TRANSFERS B BOOK TRNFR 7360470327 1		
			POINT 401K TRANSFER TO: 7360706399 B-T TRACE#: 000P		
②	06/05/2006	344,209.61	Outgoing Money Transfer		
			OUTGOING WIRE TRANS 060506		
			TRN 060605-004694 0605D2B74A1C002180		
			TO: CITIBANK N.A. ABA/021000089		
			BNFACCT: 25304537		
			BNF: Evan Sarzin, P.C.		
			RFB: FTTN1560003		
③	06/06/2006	90,000.00	Outgoing Money Transfer		
			OUTGOING WIRE TRANS 060606		
			TRN 060606-002060 0606D2B74A1C000822		
			TO: AMSOUTH BANK ABA/062000019		
			BNFACCT: 5325626094		

**Exhibit 1**



BNF: 1Point Solutions

RFB: FTTN1570003

④ 06/07/2006 9,300.00 Outgoing Money Transfer

OUTGOING WIRE TRANS 060706

TRN 060607-005289 0607D2B74A1C002215

TO: BANK OF NEW YORK ABA/021000018

BBKACCT: SMBCJPJTXXX

BNFACCT: futsu 3810292

BNF: Gallery Sobi

RFB: CML036

0153182

⑤ 06/07/2006 30,000.00 Outgoing Money Transfer

OUTGOING WIRE TRANS 060706

TRN 060607-002971 0607D2B74A1C001201

TO: AMSOUTH BANK ABA/062000019

BNFACCT: 5900004606

BNF: Barry Stokes

RFB: FTTN1580005

⑥ 06/07/2006 100,000.00 Outgoing Money Transfer

OUTGOING WIRE TRANS 060706

TRN 060607-003673 0607D2B74A1C001493

TO: CITIBANK N.A. ABA/021000089

BNFACCT: 30604518

BNF: Donald Rojas Trust

RFB: FTTN1580008

⑦ 06/08/2006 355.72 Outgoing Money Transfer

OUTGOING WIRE TRANS 060806

TRN 060608-003351 0608D2B74A1C001311

TO: CITIBANK N.A. ABA/021000089

BNFACCT: 30604518

BNF: Donald Rojas Trust

RFB: FTTN1590009

⑧ 06/09/2006 33,391.65 Outgoing Money Transfer

OUTGOING WIRE TRANS 060906

TRN 060609-001960 0609D2B74A1C000638

TO: AMSOUTH BANK ABA/062000019

BNFACCT: 52297209

BNF: Hutchison & Forsha

RFB: FTTN1600003

06/14/2006 25,000.00 Outgoing Money Transfer

OUTGOING WIRE TRANS 061406

**Exhibit 1**

**Barry Stokes**

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**From:** Barry Stokes  
**To:** Stephanie Pelham  
**Cc:**  
**Subject:** Wire  
**Attachments:**

**Sent:** Mon 6/5/2006 10:56 AM

Please wire from the 53 401K account \$344,209.61 to the below:

Evan Sarzin, P.C.

Attorney Trust IOLA Account

Citibank NA

120 Broadway

New York NY 10179

ABA: 021000089 Account No.: 25304537

**Exhibit 1(a)**

## Angela Smith

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**From:** Angela Smith  
**Sent:** Tuesday, May 30, 2006 1:25 PM  
**To:** Barry Stokes  
**Cc:** Roger Abramson  
**Subject:** RE: Jewish Fund  
**Attachments:** Jewish Fund for Justice Transfer.xls; Outstanding Loan Balance Report.pdf; Transfer Trade Information.xls

Barry-

Attached is the information on Jewish Fund. The current plan holdings are \$331,327.93. Please let me know if you need anything else or have any questions regarding these three documents.

Thank you,

Angela

---

**From:** Barry Stokes  
**Sent:** Monday, May 29, 2006 3:36 PM  
**To:** Angela Smith  
**Cc:** Roger Abramson  
**Subject:** Jewish Fund

Angela,

Please put together a spread sheet for the Jewish Fund.

SSN, Name, EE Cont, ER Cont, Rollover, Loans (etc all of the various fields)

and forward to me. AI will execute the trades on Tues.

We are not supposed to contact them but go through their attorney. I will handle it.

Thanks,

Barry

**Exhibit 1(a)**

**Barry Stokes**

---

**From:** Barry Stokes  
**To:** Stephanie Pelham  
**Cc:**  
**Subject:** Wires  
**Attachments:**

**Sent:** Wed 6/7/2006 8:53 AM

Stephanie,

Please wire from the 53 401K:

\$9,300 to

Sumitomo Mitsui Banking Corporation  
Ginza Branch, Tokyo, Japan  
Swift Code: SMBCJPJT  
Account No: futsu 3810292  
Account Name: Gallery Sobi

Then wire \$30,000 from it to my personal account at AmSouth

Thanks,

Barry

**Exhibit 1(b)**

**Barry Stokes**

---

**From:** Barry Stokes  
**To:** Stephanie Pelham  
**Cc:** Barrett, Kirk C [PVTC]; donrojas@austin.rr.com  
**Subject:** Wire From 5/3  
**Attachments:**

**Sent:** Thu 6/8/2006 9:39 AM

Stephanie,

Please wire \$355.72 from 1Point General to:

Citibank  
111 Wall St  
New York, NY  
ABA-021000089  
Acct-30604518  
Further Credit-397-05407-16-184 Donald Rojas Trust

Thank you,

Barry

**Exhibit 1(c)**

**Barry Stokes**

---

**From:** Don Rojas [donrojas@austin.rr.com]  
**To:** Barry Stokes  
**Cc:**  
**Subject:** Re: Wire Transfer to Rojas Account  
**Attachments:**

**Sent:** Thu 6/8/2006 9:11 AM

Barry:

Thanks for sending the money. You didn't have to do it so quickly. Were here if you need anything.  
Regards...Don

----- Original Message -----

**From:** Barry Stokes  
**To:** [kirk.c.barrett@smithbarney.com](mailto:kirk.c.barrett@smithbarney.com)  
**Cc:** [donrojas@austin.rr.com](mailto:donrojas@austin.rr.com)  
**Sent:** Thursday, June 08, 2006 8:44 AM  
**Subject:** Wire Transfer to Rojas Account

Kirk,

I want to confirm that you have received the wire for Donald Rojas' account in the amount of \$100,000.  
Please let me know the interest amount for the loan and I will send that in another wire.

Thank you,

Barry Stokes

**Exhibit 1(c)**

**1Point General**  
**Custom Transaction Detail Report**  
January 1, 2005 through September 21, 2006

Type	Date	Nm	Name	Memo	Account	Split	Debit	Credit	Balance
Jan 1, '05 - Sep 21, 06									
General Journal	1/1/2005	BRL...		BRING 2004 BALANCE IN	Due To Stokes	F/A - Equipment	80,157.54	1,180,000.00	-80,157.54
Deposit	1/1/2005	BRL...		BRING 2004 BALANCE IN	Due To Stokes	F/A - Equipment		1,099,842.46	1,099,842.46
General Journal	1/3/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	1,149,842.46
Deposit	1/6/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	1,174,842.46
Deposit	1/13/2005			Deposit	Due To Stokes	1Point General AmSouth		30,000.00	1,204,842.46
Deposit	1/19/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	1,254,842.46
Deposit	1/25/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	1,294,842.46
Deposit	2/2/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	1,344,842.46
Deposit	2/14/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	1,394,842.46
Deposit	2/16/2005			Deposit	Due To Stokes	1Point General AmSouth		35,000.00	1,419,842.46
Deposit	2/25/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	1,459,842.46
Deposit	3/3/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	1,484,842.46
Deposit	3/14/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	1,534,842.46
Deposit	3/15/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	1,559,842.46
Deposit	3/23/2005			Deposit	Due To Stokes	1Point General AmSouth		30,000.00	1,589,842.46
Deposit	3/29/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	1,614,842.46
Deposit	4/1/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	1,664,842.46
Deposit	4/7/2005			Deposit	Due To Stokes	1Point General AmSouth		15,000.00	1,714,842.46
Deposit	4/13/2005			Deposit	Due To Stokes	1Point General AmSouth		30,000.00	1,729,842.46
Deposit	4/20/2005			Deposit	Due To Stokes	1Point General AmSouth		30,000.00	1,759,842.46
Deposit	4/26/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	1,799,842.46
Deposit	4/29/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	1,824,842.46
Deposit	5/6/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	1,864,842.46
Deposit	5/11/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	1,914,842.46
Deposit	5/23/2005			Deposit	Due To Stokes	1Point General AmSouth		80,000.00	1,994,842.46
Deposit	5/26/2005			Deposit	Due To Stokes	1Point General AmSouth		30,000.00	2,024,842.46
Deposit	6/15/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	2,049,842.46
Deposit	6/20/2005			Deposit	Due To Stokes	1Point General AmSouth		100,000.00	2,149,842.46
Deposit	6/28/2005			Deposit	Due To Stokes	1Point General AmSouth		100,000.00	2,249,842.46
Deposit	7/6/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	2,299,842.46
Deposit	7/14/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	2,349,842.46
Deposit	7/16/2005			Deposit	Due To Stokes	1Point General AmSouth		2,399,842.46	2,399,842.46
Deposit	7/26/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	2,424,842.46
Deposit	7/28/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	2,474,842.46
Deposit	7/28/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	2,514,842.46
Deposit	8/5/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	2,564,842.46
Deposit	8/15/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	2,604,842.46
Deposit	8/17/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	2,644,842.46
Deposit	8/17/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	2,694,842.46
Deposit	8/25/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	2,744,842.46
Deposit	8/30/2005			Deposit	Due To Stokes	1Point General AmSouth		15,000.00	2,759,842.46
Deposit	9/2/2005			Deposit	Due To Stokes	1Point General AmSouth		20,000.00	2,779,842.46
Deposit	9/14/2005			Deposit	Due To Stokes	1Point General AmSouth		20,000.00	2,799,842.46
Deposit	9/16/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	2,849,842.46
Deposit	9/16/2005			Deposit	Due To Stokes	1Point General AmSouth		2,899,842.46	2,899,842.46
Deposit	9/16/2005			Deposit	Due To Stokes	1Point General AmSouth		40,000.00	2,939,842.46
Deposit	9/16/2005			Deposit	Due To Stokes	1Point General AmSouth		10,000.00	2,949,842.46
Deposit	9/27/2005			Deposit	Due To Stokes	1Point General AmSouth		2,969,842.46	2,969,842.46
Deposit	9/29/2005			Deposit	Due To Stokes	1Point General AmSouth		20,000.00	2,989,842.46
Deposit	9/29/2005			Deposit	Due To Stokes	1Point General AmSouth		25,000.00	3,014,842.46
Deposit	9/29/2005			Deposit	Due To Stokes	1Point General AmSouth		10,000.00	3,024,842.46
Deposit	10/4/2005			Deposit	Due To Stokes	1Point General AmSouth		10,000.00	3,034,842.46
Deposit	10/7/2005			Deposit	Due To Stokes	1Point General AmSouth		20,000.00	3,054,842.46
Deposit	10/13/2005			Deposit	Due To Stokes	1Point General AmSouth		100,000.00	3,154,842.46
Deposit	10/14/2005			Deposit	Due To Stokes	1Point General AmSouth		2,000.00	3,156,842.46
Deposit	10/14/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	3,206,842.46
Deposit	10/18/2005			Deposit	Due To Stokes	1Point General AmSouth		20,000.00	3,226,842.46
Deposit	10/27/2005			Deposit	Due To Stokes	1Point General AmSouth		20,000.00	3,246,842.46
Deposit	10/27/2005			Deposit	Due To Stokes	1Point General AmSouth		30,000.00	3,276,842.46
Deposit	10/27/2005			Deposit	Due To Stokes	1Point General AmSouth		5,000.00	3,281,842.46
Deposit	10/27/2005			Deposit	Due To Stokes	1Point General AmSouth		10,000.00	3,291,842.46
Deposit	10/27/2005			Deposit	Due To Stokes	1Point General AmSouth		10,000.00	3,301,842.46
Deposit	10/27/2005			Deposit	Due To Stokes	1Point General AmSouth		50,000.00	3,351,842.46
Deposit	11/9/2005			Deposit	Due To Stokes	1Point General AmSouth		30,000.00	3,381,842.46

**1Point General**  
**Custom Transaction Detail Report**  
January 1, 2005 through September 21, 2006

Type	Date	Nun	Name	Memo	Account	Split	Debit	Credit	Balance
Deposit	11/14/2005		Bank Debit	Deposit	Due To Stokes	1Point General AmSouth		25,000.00	3,406,842.46
Deposit	11/14/2005		Bank Debit	Deposit	Due To Stokes	1Point General AmSouth		30,000.00	3,436,842.46
Deposit	11/17/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		5,000.00	3,441,842.46
Deposit	11/22/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		125,000.00	3,566,842.46
Deposit	11/29/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		15,000.00	3,581,842.46
Deposit	11/29/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		38,000.00	3,619,842.46
Deposit	11/30/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		20,000.00	3,639,842.46
Deposit	12/1/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		30,000.00	3,669,842.46
Deposit	12/12/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		25,000.00	3,694,842.46
Deposit	12/14/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		15,000.00	3,709,842.46
Deposit	12/14/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		5,000.00	3,714,842.46
Deposit	12/14/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		5,000.00	3,719,842.46
Deposit	12/14/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		15,000.00	3,734,842.46
Deposit	12/14/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		15,000.00	3,749,842.46
Deposit	12/21/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		35,000.00	3,784,842.46
Deposit	12/21/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		15,000.00	3,799,842.46
Deposit	12/29/2005		Deposit	Deposit	Due To Stokes	1Point General AmSouth		25,000.00	3,824,842.46
General Journal	12/31/2005	recon			Due To Stokes	Owners Draw		50,000.00	3,874,842.46
Deposit	1/10/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth		80,157.54	3,955,000.00
Deposit	1/13/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth		100,000.00	4,055,000.00
Deposit	1/24/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth		5,000.00	4,060,000.00
Check	1/31/2006		Creative Restaurant	dba Chapel Bistro ACH Per Barry	Due To Stokes	1Point General AmSouth		45,000.00	4,105,000.00
Deposit	1/31/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth	5,000.00	15,000.00	4,120,000.00
Deposit	1/31/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth		25,000.00	4,140,000.00
Deposit	2/1/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth		90,000.00	4,230,000.00
Check	2/6/2006		Bank Debit	Deposit	Due To Stokes	1Point General AmSouth		80,000.00	4,310,000.00
Deposit	2/9/2006		wire transfer	Deposit	Due To Stokes	1Point General AmSouth		4,290,000.00	4,290,000.00
Deposit	2/10/2006		wire transfer	Deposit	Due To Stokes	1Point General AmSouth		80,000.00	4,370,000.00
Check	2/10/2006	9154	Bank Debit	transfer per Barry	Due To Stokes	1Point General AmSouth		100,000.00	4,470,000.00
Check	2/14/2006	8812	1Point FSA		Due To Stokes	1Point General AmSouth			4,470,000.00
Check	2/16/2006		Barry Stokes		Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	2/16/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	2/20/2006	8977	1Point General Account / Fifth Third		Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	2/20/2006	1330	1Point HSA	HSA	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	2/20/2006	8977	1Point 401 K	401K	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	2/21/2006	4382	1Point 401 K	401K	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	2/23/2006	9112	1Point FSA	transfer to fsa	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	2/24/2006	9113	Cash	Cashier's Check for Debbie Talbot	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	2/27/2006		Deposit	Deposit	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/1/2006		unknown deposit	Deposit	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/2/2006		1Point FSA	transfer per Barry	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/2/2006		1Point HSA	transfer per Barry	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/7/2006	8979	1Point FSA	funds transfer to 5th	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/7/2006	9143	1Point FSA	funds transfer to 5th 3rd	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/8/2006		1Point FSA	funds transfer to 1Point fsa	Due To Stokes	1Point General AmSouth			4,470,000.00
General Journal	3/8/2006	R/I	1Point General Account / Fifth Third	funds transfer	Due To Stokes	1Point General AmSouth			4,470,000.00
General Journal	3/9/2006	R/I		return deposited item	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/9/2006	8981	1Point General Account / Fifth Third	fund transfer per Barry	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/9/2006	1515	Hamilton Co. Dept. of Edu. Fsa \$3	transfer	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/9/2006	4384	1Point 401 K	transfer	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/9/2006	1334	Memphis Light Gas and Water	transfer	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/9/2006		State of Louisiana Fsa \$2.50	transfer	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/9/2006		1Point General Account	transfer	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/13/2006		unknown wire	incoming wire	Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/13/2006	ach	Cobra Acct		Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/13/2006	ach	transfer		Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/13/2006	ach	transfer		Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/13/2006	ach	transfer		Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/13/2006	ach	transfer		Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/14/2006	ach	transfer		Due To Stokes	1Point General AmSouth			4,470,000.00
Check	3/14/2006	ach	transfer		Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/15/2006		1Point HSA	transfer from am-south	Due To Stokes	1Point General AmSouth			4,470,000.00
Deposit	3/16/2006		1Point 401 K	transfer	Due To Stokes	1Point General AmSouth			4,470,000.00



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Accrual Basis

1Point General  
Custom Transaction Detail Report  
January 1, 2005 through September 21, 2006

Type	Date	Num	Name	Memo	Account	Split	Debit	Credit	Balance
Deposit	3/17/2006		1Point 401 K		Due To Stokes	Checking 1Point General 6498		14,201.56	4,655,779.85
Deposit	3/17/2006		1Point HSA	transfer from 401K	Due To Stokes	Checking 1Point General 6498		18,951.89	4,654,731.74
Check	3/21/2006	ach	Cobra Act	transfer from HSA	Due To Stokes	Checking 1Point General 6498	2,500.00		4,652,231.74
Check	3/21/2006	ach	1Point 401 K		Due To Stokes	Checking 1Point General 6498	18,000.00		4,634,231.74
General Journal	3/21/2006	r/c		beginning balance changed	Due To Stokes	Checking 1Point General 6498		5.00	4,634,236.74
Deposit	3/23/2006		1Point 401 K	transfer to 22.28	Due To Stokes	Checking 1Point General 6498	22.28		4,634,214.46
Deposit	3/27/2006		1Point HSA	transfer from 401-k	Due To Stokes	1Point General AmSouth		14,432.77	4,648,647.23
Deposit	3/27/2006		1Point FSA	transfer from 1Point hsa	Due To Stokes	1Point General AmSouth		11,273.88	4,659,921.11
Deposit	3/27/2006		1Point FSA	Deposit	Due To Stokes	1Point General AmSouth		53,441.54	4,713,362.65
Check	3/27/2006		1Point FSA		Due To Stokes	Checking 1Point General 6498	2,000.00	563.21	4,711,325.86
Check	3/31/2006	ach	1Point Cobra		Due To Stokes	Checking 1Point General 6498	5,000.00		4,706,325.86
General Journal	4/3/2006	Tr...		returned checks	Due To Stokes	1Point General AmSouth		34,208.11	4,741,133.97
General Journal	4/10/2006	R/C		returned checks cleared 8987,8893,8856,8826	Due To Stokes	Checking 1Point General 6498	4,196.96		4,736,937.01
Check	4/12/2006	ACH	1Point FSA		Due To Stokes	Checking 1Point General 6498	4,500.00		4,732,437.01
Check	4/12/2006	ach	1Point FSA		Due To Stokes	Checking 1Point General 6498	1,200.00		4,731,237.01
Deposit	4/14/2006		1Point FSA		Due To Stokes	1Point General AmSouth		41,063.89	4,772,300.90
Deposit	4/14/2006		1Point FSA		Due To Stokes	1Point General AmSouth		5,000.00	4,777,300.90
General Journal	4/17/2006	cle...		fees deposited into other accts. that need to be cleared	Due To Stokes	1Point General AmSouth		15,000.00	4,792,300.90
General Journal	4/17/2006	acc...		account correction	Due To Stokes	1Point General AmSouth	107,734.40		4,884,566.50
Deposit	4/17/2006		1Point 401 K		Due To Stokes	1Point General AmSouth		1,105.18	4,885,671.68
Deposit	4/17/2006		1Point HSA		Due To Stokes	1Point General AmSouth		6,100.95	4,891,772.63
Deposit	4/17/2006		1Point FSA		Due To Stokes	1Point General AmSouth		29,569.45	4,921,342.08
Deposit	4/17/2006		1Point FSA		Due To Stokes	1Point General AmSouth		63,066.54	4,984,408.62
Deposit	4/17/2006		1Point FSA		Due To Stokes	1Point General AmSouth		10,269.00	4,994,677.62
General Journal	4/18/2006	acc...		account correction	Due To Stokes	1Point General AmSouth	335.00		4,995,012.62
General Journal	4/18/2006			to fix overpayment that did not occur	Due To Stokes	1Point General AmSouth		1,220.00	4,996,232.62
Deposit	4/18/2006		1Point FSA		Due To Stokes	Checking 1Point General 6498		24,000.00	4,854,562.62
Deposit	4/18/2006		1Point FSA		Due To Stokes	Checking 1Point General 6498		17,660.43	4,872,223.05
Check	4/20/2006	ach	1Point FSA		Due To Stokes	Checking 1Point General 6498	15,000.00	7,261.26	4,879,484.31
General Journal	4/20/2006	recon		clearing deposits for fees that have been paid but money not put in acct	Due To Stokes	1Point General AmSouth			4,864,484.31
General Journal	4/24/2006	r/c		croger redeposit check	Due To Stokes	1Point General AmSouth	37,690.05		4,826,794.26
Check	4/24/2006	ach	1Point FSA		Due To Stokes	Checking 1Point General 6498	87.69		4,826,706.57
Deposit	5/1/2006		1Point FSA		Due To Stokes	1Point General AmSouth	1,400.00		4,825,306.57
Deposit	5/1/2006		1Point HSA		Due To Stokes	1Point General AmSouth		57,676.87	4,882,983.44
Deposit	5/1/2006		1Point 401 K		Due To Stokes	1Point General AmSouth	30,307.81		4,913,291.25
Deposit	5/1/2006		1Point FSA		Due To Stokes	1Point General AmSouth	485.45		4,913,776.70
Deposit	5/5/2006		transfer		Due To Stokes	1Point General AmSouth	25,000.00		4,938,776.70
Deposit	5/8/2006		transfer		Due To Stokes	1Point General AmSouth	10,000.00		4,948,776.70
Deposit	5/11/2006		transfer		Due To Stokes	1Point General AmSouth	5,000.00		4,953,776.70
Deposit	5/12/2006		transfer		Due To Stokes	1Point General AmSouth	30,000.00		4,983,776.70
Check	5/12/2006		transfer		Due To Stokes	1Point General AmSouth	35,000.00		5,018,776.70
Check	5/18/2006	ach	1Point -6094 Account		Due To Stokes	1Point General AmSouth	25,000.00		5,043,776.70
Deposit	5/30/2006		1Point FSA		Due To Stokes	1Point General AmSouth	5,580.00		5,038,196.70
Deposit	5/30/2006		1Point FSA		Due To Stokes	1Point General AmSouth		45,000.00	5,083,196.70
Deposit	5/30/2006		1Point FSA		Due To Stokes	1Point General AmSouth	20,000.00		5,103,196.70
Deposit	5/31/2006		1Point FSA		Due To Stokes	1Point General AmSouth	40,000.00		5,143,196.70
Deposit	5/31/2006		1Point FSA		Due To Stokes	1Point General AmSouth	30,000.00		5,173,196.70
Deposit	6/2/2006		1Point FSA		Due To Stokes	1Point General AmSouth	20,000.00		5,193,196.70
Deposit	6/7/2006		paychexsecurity		Due To Stokes	1Point General AmSouth	10,000.00		5,203,196.70
Deposit	6/13/2006		1Point FSA		Due To Stokes	1Point General AmSouth	853.43		5,204,050.13
Deposit	6/13/2006		1Point FSA		Due To Stokes	1Point General AmSouth	10,000.00		5,214,050.13
Deposit	6/13/2006		1Point FSA		Due To Stokes	1Point General AmSouth	10,000.00		5,224,050.13
Deposit	6/13/2006		1Point FSA		Due To Stokes	1Point General AmSouth	35,000.00		5,259,050.13
Deposit	6/15/2006		1Point FSA		Due To Stokes	1Point General AmSouth	79,628.91		5,338,677.04
Deposit	6/15/2006		1Point FSA		Due To Stokes	1Point General AmSouth	15,000.00		5,353,677.04
Deposit	6/16/2006		account correction		Due To Stokes	1Point General AmSouth	35,000.00		5,388,677.04
Deposit	6/20/2006		transfer		Due To Stokes	1Point General AmSouth	30		5,388,707.04
Deposit	6/23/2006		transfer		Due To Stokes	1Point General AmSouth	20,000.00		5,408,707.04
Deposit	6/28/2006		1Point FSA		Due To Stokes	1Point General AmSouth	13,000.00		5,421,707.04
Check	6/28/2006	ach	transfer		Due To Stokes	1Point General AmSouth	39,008.05		5,460,715.09
Deposit	6/29/2006		transfer	Louisiana	Due To Stokes	1Point General AmSouth	25,000.00		5,435,715.09
Deposit	6/29/2006		transfer	401K	Due To Stokes	1Point General AmSouth		1,000.00	5,436,715.09
Deposit	6/29/2006		transfer		Due To Stokes	1Point General AmSouth		2,500.00	5,439,215.09

Exhibit 2

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Accrual Basis

1Point General  
Custom Transaction Detail Report  
January 1, 2005 through September 21, 2006

Type	Date	Num	Name	Memo	Account	Split	Debit	Credit	Balance
Deposit	6/29/2006		transfer	Dental	Due To Stokes	1Point General AmSouth		5,000.00	5,444,215.09
Deposit	6/29/2006		transfer	FSA 5/3	Due To Stokes	1Point General AmSouth		17,000.00	5,461,215.09
Deposit	6/29/2006		transfer	Deposit	Due To Stokes	1Point General AmSouth		100,000.00	5,561,215.09
Deposit	6/29/2006		account correction	Goodsell & Company check	Due To Stokes	1Point General AmSouth		75.00	5,561,290.09
Deposit	6/29/2006		transfer	Deposit	Due To Stokes	1Point General AmSouth		5,000.00	5,566,290.09
Deposit	6/29/2006		transfer	Deposit	Due To Stokes	1Point General AmSouth		7,000.00	5,573,290.09
Deposit	6/29/2006		transfer	Deposit	Due To Stokes	1Point General AmSouth		10,000.00	5,583,290.09
Deposit	6/29/2006		paychex RCX Payroll	Deposit	Due To Stokes	1Point General AmSouth		1,226.21	5,584,516.30
Deposit	6/29/2006		paychex Tps Taxes	Deposit	Due To Stokes	1Point General AmSouth		484.63	5,585,000.93
Check	6/30/2006	ach	transfer		Due To Stokes	1Point General AmSouth	24,500.00		5,560,500.93
Check	7/6/2006	ach	transfer	KCMO	Due To Stokes	1Point General AmSouth	15,000.00		5,545,500.93
Deposit	7/13/2006		transfer	Deposit	Due To Stokes	1Point General AmSouth		70,000.00	5,615,500.93
Deposit	7/14/2006		transfer	Deposit	Due To Stokes	1Point General AmSouth		20,000.00	5,635,500.93
Deposit	7/24/2006		transfer	Deposit	Due To Stokes	1Point General AmSouth		15,000.00	5,650,500.93
Check	8/23/2006	9550	Cash Withdrawal	Cash withdrawal per Barry Stokes	Due To Stokes	1Point General AmSouth	6,000.00		5,644,500.93
General Journal	8/23/2006	recon	Barry Stokes	Transfer from HSA to Barry Personal (draw)	Due To Stokes	Due from OmnibusFunding	3,000.00		5,641,500.93
Check	9/6/2006	9697	Barry Stokes		Due To Stokes	1Point General AmSouth	9,882.65		5,631,618.28
Check	9/6/2006	9698	Barry Stokes		Due To Stokes	1Point General AmSouth	9,789.75		5,621,828.53
							700,368.41	6,322,196.94	5,821,828.53

Jan 1, '05 - Sep 21, 06

Exhibit 2

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Accrual Basis

**1Point General**  
**Balance Sheet**  
 As of September 21, 2006

	Sep 21, 06
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1Point General AmSouth	103,500.98
Petty Cash	516.89
Total Checking/Savings	104,017.87
Accounts Receivable	
Accounts Receivable	182,395.50
Total Accounts Receivable	182,395.50
Other Current Assets	
Due from Omnibus/Funding	-676,634.09
Total Other Current Assets	-676,634.09
Total Current Assets	-390,220.72
Fixed Assets	
Building Improvements	39,412.96
Fixed Assets	
Const In Prog - End of Bldg	285,517.95
F/A - Computer Equipment	18,361.28
F/A - Equipment	272,171.86
F/A - Furniture & Fixtures	33,606.68
F/A Leashold Improvements	39,798.87
Fixed Assets - Other	76.95
Total Fixed Assets	649,533.59
Total Fixed Assets	688,946.55
<b>TOTAL ASSETS</b>	<b>298,725.83</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	79,355.14
Total Accounts Payable	79,355.14
Other Current Liabilities	
Amsouth LOC Loan	250,000.00
Deposited Funds	236,130.71
Due To Stokes	5,621,828.53
Employee 401k Holding	46,826.37
Total Other Current Liabilities	6,154,785.61
Total Current Liabilities	6,234,140.75
Total Liabilities	6,234,140.75
Equity	
Opening Bal Equity	16,564.08
Owners Draw	-119,206.57
Retained Earnings	-3,747,177.88
Net Income	-2,085,594.55
Total Equity	-5,935,414.92
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>298,725.83</b>

Exhibit 3